

City of San Diego  
Notice of Public Hearing  
CDBG-R Third Reallocation

City of San Diego  
Aviso de Audiencia Publica  
Redistribucion de Fondos de CDBG-R

The City of San Diego was allocated a supplementary Community Development Block Grant - Recovery (CDBG-R) award of \$4,033,900 under the American Recovery and Reinvestment Act of 2009. The U.S. Department of Housing and Urban Development (HUD) strongly urges CDBG-R funds to be spent to further economic investment, increased energy efficiency, and job creation or retention. On June 1, 2009, the City Council accepted and allocated the grant funds, and on August 31, 2009, and November 23, 2009, portions of the CDBG-R grant were reallocated to new projects. This hearing is to reallocate \$412,069.73 of CDBG-R funds in excess of current project needs to additional eligible activities. An electronic copy of the proposed CDBG-R third reallocation will be posted on the City's CDBG website at [www.sandiego.gov/cdbg/general](http://www.sandiego.gov/cdbg/general) from December 28, 2012 - January 10, 2012.

The proposed CDBG-R third reallocation will be considered by City Council during their regularly scheduled meeting on January 9 or 10, 2012, at:

City Administration Building  
Council Chambers, 12th Floor  
202 C Street  
San Diego, CA 92101

Public comments will be accepted during this hearing. In addition, written comments will be accepted prior to the public hearing at the CDBG Program office (1200 Third Avenue, Suite 1400, San Diego, CA 92101) or by email ([vwhite@sandiego.gov](mailto:vwhite@sandiego.gov)) through January 9, 2012.

Si gusta obtener una traduccion gratis de este anuncio, por favor pongase en contacto con la oficina de CDBG al telefono (619) 533-6280. Si desea pedir ayuda para traduccion al Espanol durante la audiencia, favor de llamar a la oficina de CDBG al telefono (619) 533-6280 por lo menos cinco dias antes de la audiencia.

**EXECUTIVE SUMMARY SHEET**  
**CITY OF SAN DIEGO**

ATTENTION: Council President and City Council  
ORIGINATING DEPARTMENT: Economic Development  
SUBJECT: Community Development Block Grant - Recovery (CDBG-R)  
Third Reallocation Hearing  
COUNCIL DISTRICT(S): Citywide  
CONTACT/PHONE NUMBER: Vickie White/619-236-6607

**REQUESTED ACTIONS:**

1. Authorize the Chief Financial Officer to decrease the Fiscal Year (FY) 2012 Capital Improvement Project (CIP) Program Budget in Fund 600000, Grant No. 1000222-2010, by \$241,337.20.
2. Authorize the Chief Financial Officer to de-appropriate \$241,337.20 in Fund 600000, Grant No. 1000222-2010, from CIP projects in the following amounts:
  - a. Montgomery Waller Recreation Center ADA Improvements (B-00946): \$158,399.65
  - b. Mount Hope Market Street Median and Street Lighting (S-10088): \$82,937.55
3. Authorize the Chief Financial Officer to de-appropriate \$170,732.53 in CDBG-R funds in Fund 600000, Grant No. 1000222-2010, from the projects and activities specified below in the following amounts:
  - a. San Diego Apartments (Internal Order No. AI1000222-10): \$384.47
  - b. Euclid Court Apartments (Internal Order No. AH1000222-10): \$5,348.06
  - c. CDBG-R Administration (Internal Order No. AG1000222-10): \$165,000.00
4. Authorize the Chief Financial Officer to appropriate and expend a total of \$412,069.73 in CDBG-R funds to fund new projects in the following amounts, contingent upon the Chief Financial Officer certifying that funds are available:
  - a. Father Joe's Villages – Village Rehabilitation Project (Paul Mirabile Center): \$300,000.00
  - b. The Arc of San Diego – North Shores Vocational Center Roof Replacement Project: \$112,069.73
5. If the Father Joe's Villages – Village Rehabilitation Project (Paul Mirabile Center) is not able to expend the allocated CDBG-R funds in a timely manner as determined by the Deputy Director of the City's Economic Development Division, authorize the Chief Financial Officer to reallocate that project's CDBG-R funds to the La Maestra Family Clinic, Inc. – Heart of the Community Campaign - Radiology Room project in an amount not to exceed the remaining balance in the Father Joe's Villages Project up to \$300,000.00.
6. If the Arc of San Diego – North Shores Vocational Center Roof Replacement Project is not able to expend the allocated CDBG-R funds in a timely manner as determined by the Deputy Director of the Economic Development Division, authorize the Chief Financial Officer to reallocate that project's CDBG-R funds to the St. Paul's Senior Homes and Services – St. Paul's Capital Improvements Project in an amount not to exceed the remaining balance in the Arc of San Diego project up to \$112,069.73.
7. Authorize the Mayor or his designee to submit to HUD a revised Second Substantial Amendment to the City's Fiscal Year 2009 Annual Action Plan identifying the new projects, revised funding amounts, and back-up projects approved for CDBG-R funding as set forth herein.

8. Authorize the Mayor or his designee to negotiate and execute agreements with those agencies for administration of projects and activities selected for CDBG-R funding as set forth herein, contingent upon the Chief Financial Officer certifying that the funds are available.

STAFF RECOMMENDATIONS:

Approve the Requested Actions.

EXECUTIVE SUMMARY:

Through the 2009 American Recovery and Reinvestment Act (ARRA), the U.S. Department of Housing and Urban Development (HUD) awarded stimulus funding to states and local governments to carry out, on an expedited basis, eligible activities under the CDBG program. This grant program is commonly referred to as the CDBG-Recovery (CDBG-R) program. These funds are available to the City until September 30, 2012.

The City of San Diego, as a CDBG grantee, received \$4,033,900 in CDBG-R funds. In order to access this funding, the City of San Diego submitted an application to HUD on June 5, 2009, in the form of a Second Substantial Amendment to the City's FY 2009 Annual Action Plan.

On June 1, 2009, the City Council adopted a resolution to appropriate the CDBG-R funds, and to allocate funding to the following projects: San Diego Apartments rehabilitation; Euclid Court Apartments rehabilitation; Mt. Hope Market Street Median and Street Lighting; Montgomery Waller Recreation Center ADA Improvements; Proposition 1C Projects (matching funds for public infrastructure improvements for affordable housing); and CDBG-R Administration. The City was notified in July 2009 that the California Department of Housing and Community Development did not accept the CDBG-R funds as matching funds for Proposition 1C projects. In response, on August 31, 2009, the City Council reallocated \$1,800,000 initially allocated to the Proposition 1C Projects to the Trojan Avenue Apartments and National Avenue Apartments affordable housing rehabilitation projects.

As of October 31, 2011, the City had completed the San Diego Apartments, Euclid Court Apartments, and Montgomery Waller projects under budget. Additionally, the construction bid for the Mt. Hope Market Street Median and Street Lighting project came in below estimate, and CDBG-R Administration costs are below estimate. As a result, the City has \$412,069.73 in CDBG-R funds in excess of anticipated project needs (see Attachment A for available CDBG-R balances by project). In order to ensure that these funds are expended and drawn down from the City's HUD line of credit prior to September 30, 2012, so that they are not recaptured by HUD, staff recommends reallocating the excess funds to new projects.

To identify potential projects that could make use of this CDBG-R funding, staff in the City's CDBG Program Office reviewed eligible project applications submitted for FY 2012 CDBG funds that were not awarded funding. Seven eligible applications were identified by staff (see Attachment B for list of applications).

Two of these project applications were excluded from consideration due to long construction periods. CDBG staff contacted the agencies responsible for the remaining project applications and confirmed that all five projects are still unfunded and could be completed and fully invoiced by July 2012.

Staff analyzed the remaining five projects based on length of construction period, amount of funding requested compared with available CDBG-R funds, and the estimated number of jobs that the projects would create or retain. See Attachment C for the construction period, requested funding, and estimated jobs created or retained by project.

Based on the above criteria and analysis, staff recommends that City Council reallocate the excess CDBG-R funds to the following projects in the amounts specified: 1) Father Joe's Villages – Village Rehabilitation Project (Paul Mirabile Center): \$300,000.00; and 2) The Arc of San Diego – North Shores Vocational Center Roof Replacement Project: \$112,069.73.

The Father Joe's Villages project has been scaled down from the FY 2012 CDBG application scope to rehabilitate only the Paul Mirabile Center due to increased construction costs, thereby bringing the requested funding amount to \$300,000.00. The Arc of San Diego originally requested \$159,841.00 for the roof replacement project, but since there is only a balance of \$112,069.73 in CDBG-R funds City staff inquired whether they could in fact complete the Project with the reduced amount. The Arc of San Diego staff has confirmed that the project can be completed for \$112,069.73.

As a precaution, staff also requests that City Council identify two projects as back-ups in case one of the above projects should fall through, as follows: 1) La Maestra Family Clinic, Inc. - Heart of the Community Campaign - Radiology Room Project: \$300,000.00; and 2) St. Paul's Senior Homes and Services – St. Paul's Capital Improvements Project: \$112,069.73. The La Maestra Family Clinic project will be funded if the Father Joe's Villages project cannot proceed, and the St. Paul's Senior Homes and Services project will be funded if the Arc of San Diego project cannot proceed.

To allow the City to undertake the above projects, staff requests that the City Council authorize the Mayor or his designee to submit to HUD a revised Second Substantial Amendment to the City's Fiscal Year (FY) 2009 Annual Action Plan identifying the new projects approved by City Council for CDBG-R funding; and authorize the Mayor or his designee to negotiate and execute agreements with those agencies selected for CDBG-R funding.

**FISCAL CONSIDERATIONS:**

This action will not result in any fiscal impacts to the City's General Fund. Funds are available from the U.S. Department of Housing and Urban Development.

**EQUAL OPPORTUNITY CONTRACTING INFORMATION (IF APPLICABLE):**

Not applicable.

**PREVIOUS COUNCIL and/or COMMITTEE ACTION:**

City Council – November 23, 2009: Second Reallocation of CDBG-R funds in the amount of \$7,000, and appropriation and allocation of \$900 in CDBG-R funds previously unallocated, to the Mt. Hope Market Street Median and Street Lighting project. Resolution No. R-305430.

City Council – August 31, 2009: First Reallocation of CDBG-R funds in the amount of \$1,800,000 from Proposition 1C Projects to the Trojan Avenue Apartments and National Avenue Apartments projects. Resolution No. R-305197.

City Council – June 1, 2009: Acceptance and appropriation of City of San Diego’s CDBG-R grant. and approval of the City’s Second Substantial Amendment to its FY 2009 Annual Action Plan including project funding allocations. Resolution No. R-304940.

Land Use and Housing Committee and Public Safety and Neighborhood Services Committee – May 20, 2009 (special joint session): Recommendations for allocation of CDBG-R funds to specific projects.

**COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:**

A Public Notice for the proposed reallocation is being published in the San Diego Daily Transcript, El Latino, the Voice & Viewpoint, Channel 24 (CityTV), and the City’s CDBG program webpage ([www.sandiego.gov/cdbg/general](http://www.sandiego.gov/cdbg/general)). The public will have an opportunity to comment when the City Council considers approval of the reallocation at a public meeting.

**KEY STAKEHOLDERS AND PROJECTED IMPACTS:**

Residents of low- and moderate-income communities.

Attachment A – Excess CDBG-R Funding by Project

Project Name	Original CDBG-R Budget	Excess CDBG-R Funding
San Diego Apartments	\$266,000.00	\$384.47
Euclid Court Apartments	\$418,000.00	\$5,348.06
Montgomery Waller Recreation Center ADA Improvements (B-00946)	\$675,000.00	\$158,399.65
Mt. Hope Market Street Median and Street Lights (S-10088)	\$617,900.00	\$82,937.55
CDBG-R Administration	\$257,000.00	\$165,000.00

Attachment B – CDBG Fiscal Year 2012 Eligible Applications for CDBG-R Funding Consideration

NOTE: Applications are listed in no particular order.

Ref. #	Applicant Agency Name	Project Name	Requested Funding Amount
1	The Arc of San Diego	North Shores Vocational Center Roof Replacement	\$159,841.00
2	Center for Employment Training	CET San Diego Security and Solar Project	\$247,957.00
3	La Maestra Family Clinic, Inc.	Heart of the Community Campaign (Radiology Room)	\$331,998.00
4	Father Joe's Villages	Village Rehabilitation Project 2012 (Joan Kroc Center and Paul Mirabile Center)	\$436,058.00
5	St. Paul's Senior Homes and Services	St. Paul's Capital Improvements	\$127,000.00
6	Toward Maximum Independence, Inc.	TMI 2012 Building Rehab	\$178,414.00
7	San Ysidro Health Center	CHC Ocean View Clinic Renovation Project	\$193,914.00

## Attachment C - CDBG-R Reallocation Eligible Projects

Ref. #	Applicant Agency Name	Project Name	Description	FY12 CDBG Application Requested Funding	CDBG-R Reallocation Requested Funding	Approximate Length of Construction	Estimated Jobs Created or Retained (Full-Time Equivalent)
1	The Arc of San Diego	North Shores Vocational Center Roof Replacement	Replace deteriorated, leaking roof and skylights at vocational center serving adults with disabilities.	\$159,841.00	\$112,069.73	1.5 months	3.28
2	Center for Employment Training	CET San Diego Security and Solar Project	Purchase and install a security surveillance system, install solar panels to incorporate alternative energy savings systems, and reconfigure two existing handicapped parking stalls for vocational training facility in a low- and moderate-income census tract.	\$247,957.00	\$247,957.00	4 Months	1.25
3	La Maestra Family Clinic, Inc.	Heart of the Community Campaign - Radiology Room	Build a fully-equipped general and ER radiology room in City Heights clinic facility for comprehensive on-site services in a low- and moderate-income census tract.	\$331,998.00	\$300,000.00	1.5 months	2.73
4	Father Joe's Villages	Village Rehabilitation Project 2012 - Paul Mirabile Center	Complete renovation of two congregate restrooms in the Paul Mirabile Center homeless shelter.	\$436,058.00	\$300,000.00	4 Months	5.82
5	St. Paul's Senior Homes and Services	St. Paul's Capital Improvements	Replace windows of 22 resident rooms in St. Paul's Manor Tower senior residences.	\$127,000.00	\$112,069.73	3.5 Months	1.17